PERMIT CHECK LIST

The following people have reviewed the permit:

Reviewing Permit Writer: _____

Air Compliance Manager: _____

Date: August 21, 2012

Source Name: Precon Marine, Incorporated Registration No: 61651 Id. No.: 51-550-00257

Source Location: 1448 Precon Drive, (Parcel D), Chesapeake, VA 23320

Mail Address: 1401 Precon Dr., Suite 102, Chesapeake, VA 23320

Source Status: ____ Greenfield ✓ Currently operating (although source is new to air, the facility has been operating at the site for many years.)

Source Classification: ___ Minor ✓ SynMinor ___ State Major ___ PSD Major ___ TV Major

Permit Action: (Describe new/modified equipment and/or processes, include maximum rated capacities) The facility has submitted an application to remain a synthetic minor source of pollutants to stay out of the shipbuilding MACT.

✓ **Inspector Contacted Consulted**

Permit Action Program:

___ NSR ✓ SOP ___ TV ___ Maj HAP ____ General

Permit Action Type:

✓ New / Article 6 Modification (delete one) ___ Significant Amendment/Modification

Y (Y/N) Permit Includes All Emission Units at Source.

Y (Y/N) Permit Allows Source to avoid Title V/MACT/etc.

After this permit, source is ___ Synthetic minor (SM), VOC, PM/PM_{10} Pollutants

Permit Application Review

✓ Permit application submitted, or ___ Letter Request

Application Received Date: February 29, 2012

Application Complete Date: August 6, 2012

Permit Deadline Date: February 6, 2013

✓ Document Certification Form received

n/a Confidential information with sanitized copy. If yes, which sections:

n/a Copy of letter from local official for greenfield, or major modified sources

n/a Copy of letter sent to FLM if applicable. (Comments)

n/a Notification of Affected State(s)

This permit supersedes permit(s) dated n/a .

Regulatory Review

BACT Determination (check one):

✓ Control particulate emissions from exiting property boundaries for the control of PM/PM_{10} meets BACT. This action is an SOP to keep the facility a synthetic minor, but the action began as a minor NSR permit which is being rolled directly into an SOP. The NSR action did trigger NSR and BACT for both PM and PM_{10}, or

___ TV/SOP/BACT not applicable. (Explain)_____

N(Y/N) NSPS/MACT/NESHAPS Applicability: If Y, Subpart(s):

IIII (4I) NSPS ZZZZ (4Z), XXXXXX (6X) MACT _____ NESHAPS

N (Y/N) Existing Rules (9 VAC 5 Chapter 40) Applicability: If Y, Rule(s):

Regulatory Review (cont.)

Toxic Pollutants (check one):

___ Exempt, or ✓ in compliance with 9 VAC 5-60-320 and 220, or ___ not evaluated

Comments: The hourly PTE for two pollutants, Xylenes and Toluene, were above the exemption level, however, Screen 3 modeling shows the Predicted Ambient Air Concentrations (PAAC) to be less than the Significant Ambient Air Concentrations (SAAC) for both pollutants. The source has also requested a limit to remain below the major source threshold for all HAPs.

Modeling (check one):

✓ Attached (including background monitors), or

___ Copy of approval letter from modeling section,

___ No modeling required by agency policy (< modeling significance levels, etc.)

Site Suitability:

✓ Site suitable from an air pollution standpoint, inspection date December 15, 2011

✓ Calculation sheet(s) attached

n/a(Y/N) NSR Netting Comments (Explain Permit History):

N (Y/N) (CAM) Compliance Assurance Monitoring Applicable

Permit includes: ___ Stack Testing ___ CEM ___ VEE by source

Public Participation

Y (Y/N) Public Noticed. If yes, Public Notice Date:

N (Y/N) Public Notice Comments. If yes, number and nature of comments:

N (Y/N) Public Hearing. If yes, Public Hearing Date:

EPA Review

N (Y/N) EPA Review. If yes, Date proposed permit sent to EPA_____.

N (Y/N) EPA Comments. If yes, give a brief summary_____.

Other Comments and Final Recommendations (attach memo or list below):

Comments: Precon Marine, Inc. is a shipyard repair facility located in Chesapeake on the southern branch of the Elizabeth River. The operations at the site include outdoor blasting, sanding, welding and painting of marine vessels and the fabrication of metal parts for marine vessels. The facility was inspected by water and air compliance staff on December 15, 2011. During the inspection it was noted that the new operations at this facility have been in operation for about 2 years and no permit applicability review had been performed. The facility submitted the application for this permit action in response to a Request for Corrective Action sent to them on January 10, 2012. Because the facility is new, a Local Governing Body Certification Form was also submitted.

Emission units: The emission units at this facility consist of blasting units (600 lb blast pots and guns rated at 5700 lb/hr), and 2 airless paint spray guns each rated at 5 gal/hr and a generator with an engine rated at 400 bhp. Because most of the activity takes place on fully assembled vessels, the majority of blasting and painting is performed outdoors. There were no controls visible during the inspection but since that time, the facility has erected a partial enclosure with a tarp at one end and containers stacked two high on either side of the working area (open at the top) to limit the emissions during blasting and painting operations. Emissions of concern are PM and PM_{10} from both the blasting and the painting operations as well as VOC and HAP emissions from the painting operations, however, the coating operations of fully assembled marine vessels is exempt from Article 6 permitting.

Regulatory Review (cont.)

Regulatory Review:

Article 6 Applicability: 9VAC5-80-1320 B7 specifically exempts the coating operations of fully assembled vessels, however, the facility has requested throughput limits for various types of coatings to remain a synthetic minor source. The coatings do contain HAPs, so a HAP analysis was performed and the facility is in compliance with 9VAC5-60-220. The blasting operations are subject to Article 6 permitting because the Net Emissions Increase (NEI) of PM/PM_{10} is 162/78 ton/yr which is greater than the new source exemption levels of 25/15 ton/yr, respectively. BACT is also applicable and the newly erected partial enclosure along with good operating practices (shrouding and wind restrictions for blasting) meets BACT. This permit action will be a new minor NSR permit that is rolled directly into a State Operating Permit with HAP limits restricting the facility to 9.4 tons/yr of any single HAP and 24.4 tons/yr of any combination of HAPs with no specific HAP emission limits.

Article 8 Applicability: the facility has specifically requested throughputs for various types of coatings and of blasting materials to remain a synthetic minor source, so the source is not subject to this regulation.

NSPS Applicability: there are no NSPS regulations that apply to this facility.

MACT Applicability:

Subpart II - The Shipbuilding and Repair MACT is applicable only to major sources of HAP and the facility will remain a synthetic minor source so this MACT is not applicable. The facility has been operating without a permit, but submitted data to show that in the last two years of operations, they have not exceeded the major source threshold for HAP or criteria pollutants.

Subpart MMMM (4M) - The Miscellaneous Metal Parts MACT is applicable to major sources only, and is therefore, not applicable.

Subpart HHHHHH (6H) - The Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources MACT is also not applicable because the facility does not use any of the listed 'Target HAPs' in their coatings. 'Target HAPs', as defined in 40 CFR 63.11169(c) are the spray applications of coatings containing compounds of Chromium (Cr), Lead (Pb), Manganese (Mn), Nickel (Ni) or Cadmium (Cd).

Subpart XXXXXX (6X) - The facility is subject to the Nine Metal Fabrication and Finishing Source Categories MACT for blasting operations only. The facility is primarily engaged in one of the nine source categories listed in 40 CFR 63.11514 - a Fabricated Structural Metal Manufacturing facility. The facility does not use any coatings containing any of the 'Target HAPs' so it is not subject to the MACT for painting operations, therefore the toxics rule still applies to this source for painting activities. The facility is considered an area source for this MACT and the compliance date for this MACT (for a new facility) is upon startup (if after July 23, 2008).

Chapter 40 – *Article 34* – This article is not applicable because it is specifically exempted in 9 VAC 5-40-4760 D4.

BACT Review – VOC's - Because the coating operations are exempt from permitting, BACT does not apply, however, good operating practices do apply and these have been incorporated into the permit. **PM/PM_{10}** emissions do trigger BACT. Outdoor painting and blasting good operating practices have been incorporated into the permit: minimize fugitive emissions by terminating painting if fugitive emissions would be transported to adjacent waterways or property; using tarps or enclosures to prevent emissions from being transported to adjacent waterways or property, and knowing what the wind speed and direction is and terminating operations if wind speed is in excess of 20 mph.

Regulatory Review (cont.)

Summary of Emissions: The facility has requested to keep track of coatings by type of coating and has requested a throughput limit for each type of coating as listed in the table below:

Coatings	Throughput (gal/yr)	PM/PM10 (ton/yr)	VOC (ton/yr)
Epoxy	9,000	30.3	46.9
Zinc-Clad Primer	2,567	14.9	7.9
Antifoulant Coating	2,500	8.9	4.0
Enamel	3,000	3.9	5.2
Polyurethane	3,000	6.4	4.4
Solvent (MEK)	2,500	-	8.4

The painting operations are not subject to permitting, however, to keep the facility a synthetic minor source the above limits have been put in the permit. The blasting operations are subject to permitting because the NEI for PM and PM_{10} were 162 and 78 tons per year, respectively. (See calculations spreadsheet) The permitted limits for the blasting operations are summarized in the following table:

	Throughput (ton/yr)	PM (ton/yr)	PM_{10} (ton/yr)
Blast Media	5,980	28.5	13.7

Dispersion Modeling: - The levels of emissions from the regulated criteria pollutants do not require any modeling. Although the painting operations were not subject to permitting, a review of facility-wide emissions of hazardous air pollutants (HAPS) was performed to see if the facility could trigger major source threshold for HAPs. It was found that the facility could trigger the major source threshold for Xylenes. The data show that the facility could also exceed the hourly exemption level for Xylenes and Toluene. Screen 3 modeling was done to be sure the SAAC would not be exceeded. The following table shows the modeling parameters used to run the model:

Modeling Parameters for Source					
Source Type	Terrain/ Urban	Source Release Height	Initial Lateral Dimension	Initial Vertical Dimension	Emission Rate
Volume Source	Flat Urban	8.23 m 27.00 ft	7.16 m 23.49 ft	3.83 m 12.56 ft	4.2084 Xylene g/s 5.3928 Toluene g/s 33.4 Xylene lb/hr 42.8 Toluene lb/hr

The following table lists the results of the model:

Pollutants	PAAC Hourly Max (ug/m^3)	SAAC (ug/m^3)	Distance from Area (meters)
Xylenes	9100	16275	18
Toluene	11660	14125	18

Regulatory Review (cont.)

From this data, it is very unlikely the facility will exceed the SAAC for the short term limits, but the facility does need an annual limit to stay a synthetic minor source of HAP emissions, so annual emission limits have been added to the permit for any single HAP and for a combination of HAPs.

Boilerplate Used: This action is an Article 6 permit being rolled directly into an SOP to limit HAPs for the source to remain a synthetic minor source of HAP. The SOP boilerplate as been used with the generic boilerplate with SOP citations. Where BACT is applicable the citations have been added.

Monitoring and Compliance Demonstration: The facility has three major activities: blasting, welding and painting. The activities all take place outdoors in a partial enclosure or out in the open. Good operating practices have been put into the permit to limit the transport of emissions to waterways and other properties. Recordkeeping of paint usage and content of HAP in each coating is required to prove compliance with the emission limits and throughput limits. For the welding operations, records of the amount of welding rods used monthly and annually will have to be maintained to show they are a minor source of HAP from these operations. Blast grit will also have to be tracked to be sure that the facility is not exceeding the throughput limit for the grit.

Final Recommendation: Recommend Approval.

Permit Writer's Signature: _____

Air Permit Manager's Signature: _____

COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
TIDEWATER REGIONAL OFFICE
5636 Southern Boulevard, Virginia Beach, Virginia 23462
(757) 518-2000 Fax (757) 518-2009
www.deq.virginia.gov

Doug Domenech
Secretary of Natural Resources

David K. Paylor
Director

Maria R. Nold
Regional Director

Draft – August 21, 2012

Mr. Douglas W. Fuller
Vice President
Precon Marine, Inc.
1401 Precon Dr., Suite 102
Chespeake, VA 23320

Location: Chesapeake
Registration No.: 61651
AFS Id. No.: 51-550-00257

Dear Mr. Fuller:

Attached is a permit to construct and operate a shipyard/repair facility in accordance with the provisions of the Virginia State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution.

This permit contains legally enforceable conditions. Failure to comply may result in a Notice of Violation and/or civil charges. Please read all permit conditions carefully.

In the course of evaluating the application and arriving at a final decision to approve the project, the Department of Environmental Quality (DEQ) deemed the application complete on August 6, 2012, and solicited written public comments by placing a newspaper advertisement in the Virginian Pilot on _____. The required comment period, provided by 9 VAC 5-80-1170 D expired on _____.

This permit approval to construct and operate shall not relieve Precon Marine, Inc. of the responsibility to comply with all other local, state, and federal permit regulations.

The Board's Regulations as contained in Title 9 of the Virginia Administrative Code 5-170-200 provide that you may request a formal hearing from this case decision by filing a petition with the Board within 30 days after this case decision notice was mailed or delivered to you. 9 VAC 5-170-200 provides that you may request direct consideration of the decision by the Board if the Director of the DEQ made the decision. Please consult the relevant regulations for additional requirements for such requests.

As provided by Rule 2A:2 of the Supreme Court of Virginia, you have 30 days from the date you actually received this permit or the date on which it was mailed to you, whichever occurred first, within which to initiate an appeal of this decision by filing a Notice of Appeal with:

David K. Paylor, Director
Department of Environmental Quality
P. O. Box 1105
Richmond, VA 23218-1105

If this permit was delivered to you by mail, three days are added to the thirty-day period in which to file an appeal. Please refer to Part Two A of the Rules of the Supreme Court of Virginia for information on the required content of the Notice of Appeal and for additional requirements governing appeals from decisions of administrative agencies.

It has been determined that the Cummins diesel engine is exempt from the permitting requirements of Chapter 80, Article 6 of the Virginia Regulations for the Control and Abatement of Air Pollution as per 9 VAC 5-80-1320 B for engines of your size, fuel type, and number of hours of operation. However, the engine is an affected unit under:

- 40 CFR 60, New Source Performance Standards (NSPS), Subpart IIII *(Standards of Performance for Stationary Compression Ignition Internal Combustion Engines),* and
- 40 CFR 63, Maximum Achievable Control Technology (MACT), Subpart ZZZZ, (*National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines*)

and is therefore subject to owner/operator requirements of the NSPS and the MACT. In summary, the unit is required to comply with certain federal emission standards and operating limitations over their useful life.

There are two other area source MACTs that your facility may be subject to:

- 40 CFR 63, Maximum Achievable Control Technology (MACT), Subpart HHHHHH (6H) , (*National Emission Standards for Hazardous Air Pollutants: Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources*)
- 40 CFR 63, Maximum Achievable Control Technology (MACT), Subpart XXXXXX (6X), (*National Emission Standards for Hazardous Air Pollutants Area Source Standards for Nine Metal Fabrication and Finishing Source Categories)*

The Department of Environmental Quality (DEQ) advises you to review the NSPS and MACT to ensure compliance with applicable emission and operational limitations. As the owner/operator you are also responsible for monitoring, notification, reporting, and recordkeeping requirements of the NSPS and the MACT. Notifications shall be sent to EPA, Region III.

If you have any questions concerning this permit, please contact Laura D. Corl by phone at (757) 518-2178 or by e-mail at **laura.corl@deq.virginia.gov**.

Sincerely,

Troy D. Breathwaite
Regional Air Permits Manager

TDB/LDC/61651_001_12_SOPnew.docx

Attachments: Permit

Link for NSPS and MACT Regulations:
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=27d0dad4dd3d4c1969aad205b798e315&c=ecfr&tpl=/ecfrbrowse/Title40/40tab_02.tpl

cc: Manager, Data Analysis (electronic file submission)
Manager/Inspector, Air Compliance
Chief, Air Enforcement Branch (3AP13), U.S. EPA, Region III (electronic file submission)

COMMONWEALTH of VIRGINIA

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David K. Paylor
Director

Maria R. Nold
Regional Director

STATIONARY SOURCE PERMIT TO OPERATE

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

Precon Marine, Inc.
1448 Precon Drive, (Parcel D)
Chespeake, VA 23320
Registration No.: 61651

is authorized to operate a

Shipyard/repair facility

located at

1448 Precon Drive, (Parcel D)
Chesapeake

in accordance with the Conditions of this permit.

Approved on: **DRAFT**.

_____
Maria R. Nold

_____
Signature Date

Permit consists of 8 pages.
Permit Conditions 1 to 21.

INTRODUCTION

1. This permit approval is based on the permit application dated February 29, 2012, and supplemental information dated January 30, 2012, March 1, 2012, April 6, 2012, April 17, 2012, May 15, 2012 and August 6, 2012. Any changes in the permit application specifications or any existing facilities which alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action.

   Words or terms used in this permit shall have meanings as provided in 9 VAC 5-10-10 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. The regulatory reference or authority for each condition is listed in parentheses () after each condition.

   Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact.

   The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, §§ 2.2-3700 through 2.2-3714 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.

PROCESS REQUIREMENTS

2. **Equipment List** - Equipment at this facility consists of the following:

Equipment Operating at this facility				
Ref. No.	**Equipment Description**	**Rated Capacity**	**Federal Requirements**	Original Permit Date
B1	Outdoor Blasting Operations	5700 lb/hr	MACT XXXXXX (6X)	August XX, 2012
P1	Outdoor Painting Operations of fully assembled marine vessels – 2 spray guns	5 gal/hr each	None at time of permitting	August XX, 2012
W1	Welding Operations	n/a	MACT XXXXXX (6X)	August XX, 2012

Equipment Exempt from Permitting				
Ref. No.	**Equipment Description**	**Rated Capacity**	**Exemption Citation**	**Exemption Date**
G1	Cummins QSM11 Emergency Generator	400 HP	NSPS IIII, MACT ZZZZ	August XX, 2012

Specifications included in the permit under this Condition are for informational purposes only and do not form enforceable terms or conditions of the permit.
(9 VAC 5-80-850)

3. **Emission Controls -** The permittee shall take reasonable precautions to prevent particulate matter from becoming airborne during outdoor blasting and painting operations (B1 and P1). To minimize visible emissions and fugitive emissions, the permittee shall:
   a. Employ best available technology to determine wind direction and speed at those locations adjacent to outdoor abrasive blasting and spray painting operations.
      i. If a manual wind speed recording system is used, the event log shall include the wind speed data with the following notations:
         1. Type of operation being performed (painting, blasting, etc,);
         2. Start time of operation;
         3. At least one hourly wind speed observation;
         4. Any non-wind speed related interruption time periods lasting longer than one hour in duration;
         5. Any time periods noted for ceased operations due to wind speed; and
         6. Finish time of operation.
      ii. If the anemometer includes an automated wind speed recording system, the event log shall include the wind speed data with the following notations:
         1. Type of operation being performed (painting, blasting, etc,);
         2. Start time of operation;
         3. Any non-wind speed related interruption time periods lasting longer than one hour in duration;
         4. Any time periods noted for ceased operations due to wind speed; and
         5. Finish time of operation.
      iii. If the anemometer includes a wind speed alarm system the event log shall include the following notations:
         1. Type of operation being performed (painting, blasting, etc,);
         2. Start time of operation;
         3. Any time periods noted for ceased operations due to wind speed; and
         4. Finish time of operation.
      iv. In the event that the primary wind speed monitoring system becomes inoperable, a backup monitoring system shall be employed, using a hand-held anemometer, following the requirements stipulated in subpart i. of this Condition. A determination of representative wind speeds using the hand-held anemometer shall be accomplished by conducting the manual wind speed observations. The hand-held anemometer shall be used until such time as the primary wind speed monitoring system is again operable.
   b. Designate a responsible person with the authority to terminate operations during conditions as outlined below:
      i. Terminate abrasive blasting operation if the prevailing wind direction and speed will cause particulate matter to be transported to adjacent property or waterways.
      ii. Terminate abrasive blasting operation if the wind speed exceeds twenty miles per hour
   c. Use containment methods such as partial enclosures, tarp enclosures or shrouds where possible and practical, and locate the operations to minimize particulate matter from being transported to adjacent property or waterways.
   d. Visible emissions of dust from around the containment devices of the blasting and painting operations shall not be visible at the property lines, which include the waterline of any waterway.

   (9 VAC 5-40-20 E, 9 VAC 5-40-90 and 9 VAC 5-80-850)

4. **Fugitive Dust and Fugitive Emission Controls** – Fugitive dust and fugitive emission controls shall include the following, or equivalent, as approved by DEQ:
   a. Application of asphalt, water, or suitable chemicals on dirt roads, and other surfaces which may create airborne dust; paving of roadways, and maintenance of roadways in a clean condition.
   b. Prompt removal of spilled or tracked dirt or other materials from paved streets and of dried sediments resulting from soil erosion.

   (9 VAC 5-50-90 and 9 VAC 5-80-850)

5. **VOC Work Practice Standards** – At all times the disposal of volatile organic compounds shall be accomplished by taking measures, to the extent practicable, consistent with air pollution control practices for minimizing emissions. Volatile organic compounds shall not be intentionally spilled, discarded in sewers which are not connected to a treatment plant, or stored in open containers, or handled in any other manner that would result in evaporation beyond that consistent with air pollution practices for minimizing emissions.
   (9 VAC 5-50-20 F and 9 VAC 5-80-850)

OPERATING LIMITATIONS

6. **Throughput** - The throughput of various types of coatings and solvents shall not exceed the limits listed in the table below:

Coatings	Throughput (gal/yr)
Epoxy	9,000
Zinc-Clad Primer	2,567
Antifoulant	2,500
Enamel	3,000
Polyurethane	3,000
Solvent (MEK)	2,500

   The annual throughputs shall be calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
   (9 VAC 5-80-850)

7. **Throughput** - The throughput of silica free coal slag and walnut shell blast grits, combined, shall not exceed 4,400 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
   (9 VAC 5-80-850 and 9 VAC 5-50-260)

8. **Throughput** - The throughput of welding rods shall not exceed 6000 lb per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
   (9 VAC 5-80-850)

EMISSION LIMITS

9. **Process Emission Limits** - Emissions from the outdoor painting operations shall not exceed the limits specified below:

Particulate Matter (PM)	64.3 tons/yr
PM-10	64.3 tons/yr
Volatile Organic Compounds	76.8 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition number 6. (9 VAC 5-80-850)

10. **Process Emission Limits** - Emissions from the outdoor blasting operations shall not exceed the limits specified below:

Particulate Matter (PM)	28.5 tons/yr
PM-10	13.7 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition number 7. (9 VAC 5-80-850 and 9 VAC 5-50-260)

11. **HAP Emission Limits** – The cumulative total emissions from all coatings and solvents shall not exceed the limit specified below:

Each individual HAP	9.4 tons/yr
Combination of all HAPs	24.4 tons/yr

Compliance with these emission limits shall be determined monthly as a 12-month rolling total. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months. (9 VAC 5-80-850)

12. **Facility Wide Emission Limits** - Total emissions from the shipyard/repair facility shall not exceed the limits specified below:

Particulate Matter (PM)	92.9 tons/yr
PM-10	78.3 tons/yr
Volatile Organic Compounds	76.8 tons/yr
Any single HAP	9.4 tons/yr
Any Combination of HAP	24.4 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition numbers 6, 7, 8, 11 and 13.
(9 VAC 5-80-850 and 9 VAC 5-50-260)

RECORDS

13. **On Site Records** - The permittee shall maintain records of emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the Director, Tidewater Regional Office. These records shall include, but are not limited to:

    a. Annual throughput of each type of coating and total solvents, listed in gallons, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.

    b. Annual throughput of silica free coal slag and walnut shell blast grits (combined) in tons, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.

    c. Annual throughput of welding rods in pounds, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.

    d. Material Safety Data Sheets (MSDS), Certified Product Data Sheets (CPDS) showing VOC content, toxic compound content and HAP content for each coating and solvent used.

    e. Monthly and annual HAP emissions to prove compliance with Condition 11.

    These records shall be available for inspection by the DEQ and shall be current for the most recent five years.
    (9 VAC 5-80-850 and 9 VAC 5-50-50)

GENERAL CONDITIONS

14. **Right of Entry** - The permittee shall allow authorized local, state, and federal representatives, upon the presentation of credentials:

    a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;

    b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;

    c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and

    d. To sample or test at reasonable times.

    For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.
    (9 VAC 5-170-130 and 9 VAC 5-80-850)

15. **Record of Malfunctions** – The permittee shall maintain records of the occurrence and duration of any bypass, malfunction, shutdown or failure of the facility or its associated air pollution control equipment that results in excess emissions for more than one hour. Records shall include the date, time, duration, description (emission unit, pollutant affected, cause), corrective action, preventive measures taken and name of person generating the record.
(9 VAC 5-20-180 J and 9 VAC 5-80-850)

16. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the Director, Tidewater Regional Office of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone, or telegraph. Such notification shall be made as soon as practicable but no later than four daytime business hours after the malfunction is discovered. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within two weeks of discovery of the malfunction. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the Director, Tidewater Regional Office in writing.
(9 VAC 5-20-180 C and 9 VAC 5-80-850)

17. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated.
(9 VAC 5-20-180 I and 9 VAC 5-80-850)

18. **Maintenance/Operating Procedures** – At all times, including periods of start-up, shutdown and malfunction, the permittee shall, to the extent practicable, maintain and operate the affected source, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions.
(9 VAC 5-50-20 E and 9 VAC 5-80-850)

19. **Permit Suspension/Revocation** - This permit may be revoked if the permittee:

    a. Knowingly makes material misstatements in the permit application or any amendments to it;

    b. Fails to comply with the terms or conditions of this permit;

    c. Fails to comply with any emission standards applicable to a permitted emissions unit;

    d. Causes emissions from this facility which result in violations of, or interferes with the attainment and maintenance of, any ambient air quality standard;

    e. Fails to operate this facility in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect at the time that an application for this permit is submitted;

    f. Fails to comply with the applicable provisions of Articles 6, 8 and 9 of 9 VAC 5 Chapter 80.

    (9 VAC 5-80-1010)

20. **Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the Director, Tidewater Regional Office of the change of ownership within 30 days of the transfer.
(9 VAC 5-80-940)

21. **Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.
(9 VAC 5-80-860 D)

DRAFT PERMIT APPROVAL FORM

Department of Environmental Quality
Tidewater Regional Office
5636 Southern Blvd.
Virginia Beach, Virginia 23462

Instructions:

The "Draft Permit Approval Form" provides the owner or certified company official an opportunity to accept or suggest appropriate changes to a draft permit. If a signed form is not received within one (1) week of the date of receipt of the draft permit, DEQ will assume that the draft permit is considered acceptable and will proceed with processing the permit.

Please check the applicable statement(s) below after thoroughly reviewing the draft permit. Scanned forms (with signatures) may be returned to laura.corl@deq.virginia.gov or troy.breathwaite@deq.virginia.gov.

If scanning is not available, please fax to 757-518-2009, Attention: Ms. Laura D. Corl or Mr. Troy D. Breathwaite.

____ The owner or certified company official agrees with the conditions of the draft permit dated _____ . Please proceed to issue the permit with no change.

____ The owner or certified company official finds condition number(s) _____ of the draft permit dated _____ unacceptable.

____ The suggested changes are attached for your consideration.

____ The owner or certified company official requests further discussion with DEQ regarding the above referenced condition(s).

Signature: _____

Name: _____

Title: _____

Facility: _____

Date: _____